

Message Text

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PAGE 01 NASSAU 00169 242215Z
ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 ISO-00 TRSE-00 COME-00 SP-02
USIA-06 AID-05 NSC-05 SS-15 STR-06 OMB-01 CEA-01
L-03 H-01 PA-01 PRS-01 /078 W
-----124786 242218Z /64

P R 242011Z JAN 78
FM AMEMBASSY NASSAU
TO SECSTATE WASHDC PRIORITY 360
INFO AMEMBASSY OTTAWA
AMEMBASSY MEXICO

C O N F I D E N T I A L NASSAU 0169

E.O. 11652: GDS
TAGS: EFIN, US
SUBJ: ELEMENTS OF ADMINISTRATION TAX PROPOSAL WHICH WILL HAVE
INTERNATIONAL IMPACT - BAHAMAS

REF: STATE 016807

1. EMBASSY WAS SURPRISED AND FRANKLY DISMAYED WITH THE LANGUAGE OF PARA 2 OF REFTEL RE FOREIGN CONVENTIONS AND WE FEEL CERTAIN THAT GCOB'S REACTION WILL BE THE SAME, ALTHOUGH IN ADDITION, THEIRS MAY BE ONE OF BITTERNESS. RIGHTLY OR WRONGLY THEY HAVE RECEIVED THE IMPRESSION FROM CONVERSATIONS WITH HIGH U.S. GOVERNMENT OFFICIALS OVER THE LAST YEAR THAT WE SUPPORTED THEM, CANADIANS AND MEXICANS IN THEIR HOPES FOR A CHANGE IN THE TAX LAW WHICH WOULD INCREASE THE AMOUNT OF DEDUCTIONS THAT MIGHT BE CLAIMED FOR ATTENDING OVERSEAS CONVENTIONS IN THOSE THREE COUNTRIES. THE ADMINISTRATION PROPOSAL, AS WE READ IT, WOULD MEAN, HOWEVER, THAT VERY FEW IF ANY U.S. CONVENTIONS COULD BE HELD IN THE BAHAMAS AND WOULD HAVE AN EVEN MORE SERIOUS AND ADVERSE IMPACT ON THEIR NUMBER ONE AND SOLE INDUSTRY - TOURISM - THAN THE 1976 TAX REFORM ACT ABOUT WHICH THEY REACTED SO STRONGLY.

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PAGE 02 NASSAU 00169 242215Z

2. WHILE IT WOULD APPEAR THAT THERE IS NOTHING THAT CAN BE DONE AT THIS TIME ON THE MATTER IN QUESTION WE STRONGLY URGE THAT IF OUR RELATIONS WITH THE GCOB ARE TO REMAIN FRIENDLY AND PROGRESS, WE ATTEMPT TO DO MORE TO HELP THEM HELP THEMSELVES. NOT TO DO SO WOULD BE COUNTER TO OUR INTERESTS HERE AND A CONSISTENT FAILURE TO DELIVER ON MATTERS THAT ARE OF COMPARATIVELY LITTLE CONSEQUENCE TO OURSELVES BUT ARE OF

PRIMARY AND VITAL CONCERN TO THEM (THIS AND AN ADDITIONAL
AIR CARRIER ON THE NEW YORK/NASSAU RUN TO NAME ANOTHER) COULD
BE INTERPRETED BY THEM AS AT LEAST INDIFFERENCE OR INSEN-
SITIVITY ON OUR PART IF NOT WORSE.
TAYLOR

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAX LAW
Control Number: n/a
Copy: SINGLE
Draft Date: 24 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780129/aaaaayij.tel
Line Count: 67
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ace5a1e0-c288-dd11-92da-001cc4696bcc
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TAGS: EFIN, US, BF
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